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PERSONAL MANAGEMENT CONTENT

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CHAPTER 1

Personnel Management

A. INTRODUCTION

Evaluating Personnel

Personnel evaluation can be irritating or irrelevant. A "satisfactory" evaluation in a service environment depends on an agreement between employer and employee about what the service relationship should be.

People are most crucial element in a service organization. The employer has a right to expect that employees will perform to the standards of the job description. The employee has a right to expect fair treatment, that is, equitable treatment compared to comparable work/salary/benefits that others have.

A job should be realistic, that is, one that can be performed satisfactorily with a reasonable amount of effort and with a reasonable chance of success. If job can't be completed, saying "do the best you can" is meaningless. Redesign job so that it can be completed through reduction in input, modification of technique, reduction of standards, or the like.

Subordinates want to be evaluated and they understand the need to be evaluated.

The following five points are good management practice in respect to supervising staff:

JOB DESIGN

The job description should cover 80% of what really occurs. If "other tasks that may be assigned" comprises more than half the work, it's time to rewrite the job description. Both employer and employee should be involved in writing the job description and should accrue that it accurately and completely describes the position. The description should include what an employee can reasonably accomplish plus the resources (material, money, time) to accomplish it.

DELEGATION

Once the employee knows the job, has the training and resources to accomplish the tasks, leave him/her alone. Judge by results not by method. If employer describes not only what is to be done but how, it is assigning not delegating. Employee may consider it intrusive and indicative of lack of trust.

MENTORING

This is the provision of support for the job, sometimes called role modeling. Employees should feel free to ask questions in the confidence that help will be given if requested. If people aren't comfortable in asking for help, they will guess which can result in disaster.

PERFORMANCE EVALUATION

Most people want to be told how they are doing but not in a meaningless, manipulative way. Every job needs a clear standard of acceptable performance which should be used in regular performance evaluations. Good performance evaluation depends on agreement on what is job that job can be done? That method will be used to demonstrate that job has been completely satisfactorily.

If there has been ongoing performance evaluation against an accurate job description according to agreed on performance standards, then the "formal" evaluation only documents what both already know. So first 10-15 minutes can be "summing up" and remaining 45-50 minutes can be spent on considering the future (really two futures: the library's and the employee's which may converge or diverge.

REWARD MECHANISMS

"Praise in public; criticize in private" is an excellent rule. Pay and promotion are what most people think of first in rewarding employees. Feedback and recognition, task identity and task significance, achievement of goals are often equally or more highly motivating. Herb White, to whom I am indebted for many of these thoughts, says:

Management must evaluate the needs of subordinates against the needs of the organization we are responsible for and look for ways to make the two fit or agree that they don't. ... As good managers,

1. We give people doable jobs.
2. Make sure they understand them.
3. Leave them alone to do them.
4. Help them if they ask us.
5. Evaluate what they did.
6. Seek correction and direction.
7. Reward and punish.

Seek ways to balance organization needs against personal needs.

B. PRINCIPLES OF PERSONAL MANAGEMENT

Put First Things First
Habit 1 - I am the Programmer.
Habit 2 - Write the Program.
Habit 3 - Execute the Program.

Habit 3 is Personal Management, the exercise of independent will to create a life congruent with your values, goals and mission. The fourth human endowment, Independent Will, is the ability to make decisions and choices and act upon them. Integrity is our ability to make and keep commitments to ourselves. Management involves developing the specific application of the ideas. We should lead from the right brain (creatively) and manage from the left brain (analytically).

In order to subordinate your feelings, impulses and moods to your values, you must have a burning "YES**!**" inside, making it possible to say "No" to other things. The "Yes" is our purpose, passion, clear sense of direction and value.

Time management is an essential skill for personal management. The essence of time management is to organize and execute around priorities. Methods of time management have developed in these stages:

1) **Notes and checklists** - recognizing multiple demands on our time;
2) **Calendars and appointment books** - scheduling events and activities;
3) **Prioritizing, clarifying values** - integrating our daily planning with goal setting (The downside of this approach is increasing efficiency can reduce the spontaneity and relationships of life.);
4) **Managing ourselves rather than managing time** - focusing in preserving and

enhancing relationships and accomplishing results, thus maintaining the P/PC balance (production versus building production capacity).

A matrix can be made of the characteristics of activities, classifying them as urgent or not urgent, important or not important. List the activities screaming for action as **"Urgent**." List the activities contributing to your mission, value or high-priority goals as "**Important**."

Quadrant I activities are urgent and important - called problems or crises. Focusing on Quadrant I results in it getting bigger and bigger until it dominates you. Quadrant III activities are urgent and not important, and often misclassified as Quadrant I.

Quadrant IV is the escape Quadrant - activities that are not urgent and not important.

Effective people stay out of Quadrants III and IV because they aren't important. They shrink Quadrant I down to size by spending more time in Quadrant II.

Quadrant II activities are important, but not urgent. Working on this Quadrant is the heart of personal time management. These are PC activities.

Quadrant II activities are high impact - activities that when done regularly would make a tremendous difference in your life. (Including implementing the Seven Habits.)

Initially, the time for Quadrant II activities must come from Quadrants III and IV. Quadrant I can't be ignored, but should eventually shrink with attention to Quadrant II.

1) Prioritize 2) Organize Around Priorities 3) Discipline yourself

Self discipline isn't enough. Without a principle center and a personal mission statement we don't have the necessary foundation to sustain our efforts.

Covey has developed a Quadrant II organizer meeting six criteria:

1. Coherence - integrates roles, goals, and priorities.

2. Balance - keeps various roles before you so they're not neglected.

3. Quadrant II Focus - Weekly - the key is not to prioritize what's in your schedule, but to schedule your priorities.

4. A People Dimension - think of efficiency when dealing with things, but effectiveness when dealing with people. The first person to consider in terms of effectiveness is yourself.

Schedules are subordinated to people.
5. Flexibility - the organizer is your servant, not your master
6. Portability- There are four key activities in Quadrant II organizing, focusing on what you want to accomplish for the next 7 days:

1) **Identify Roles**
2) **Select Goals** - two or three items to accomplish for each role for the next week, including some of your longer term goals and personal mission statement
3) **Scheduling/Delegating** - including the freedom and flexibility to handle unanticipated events and the ability to be spontaneous

4) **Daily Adapting** - each day respond to unanticipated events, relationships and experiences in a meaningful way.

Here are five advantages of this organizer:

1) It's principle-centered - it enables you to see your time in the context of what's important and what's effective.
2) It's conscience directed - it enables you to organize your life around your deepest values.
3) It defines your unique mission, including values and long-term goals.
4) It helps you balance your life by identifying roles.
5) It gives greater perspective through weekly organizing.

The practical thread is a primary focus on relationships and a secondary focus on time, because people are more important than things.

The second critical skill for personal management is delegation. Effectively delegating to others is perhaps the single most powerful high-leverage activity there is. Delegation enables you to devote your energies to high level activities in addition to enabling personal growth for individuals and organizations. Using delegation enables the manager to leverage the results of their efforts as compared to functioning as a "producer."

There are two types of delegation: Gofer Delegation and Supervision of Efforts

(Stewardship).

Using Gofer Delegation requires dictating not only what to do, but how to do it. The supervisor then must function as a "boss," micromanaging the progress of the "subordinate." The supervisor thus loses a lot of the leveraging benefits of delegation because of the demands on his time for follow up. An adversarial relationship may also develop between the supervisors and subordinate.

More effective managers use Stewardship Delegation, which focuses on results instead of methods. People are able to choose the method to achieve the results. It takes more time up front, but has greater benefits.

Stewardship Delegation depends on trust, but it takes time and patience. The people may need training and development to acquire the competence to rise to the level of that trust.

Stewardship Delegation requires a clear, up-front mutual understanding of and commitment to expectations in five areas:

Desired Results - Have the person see it, describe it, make a quality statement of what the results will look like and by when they will be accomplished.

Guidelines - Identify the parameters within which the individual should operate, and what potential "failure paths" might be. Keep the responsibility for results with the person delegated to.

Resources - Identify the resources available to accomplish the required results.

Accountability - Set standards of performance to be used in evaluating the results and specific times when reporting and evaluation will take place.

Consequences - Specify what will happen as a result of the evaluation, including psychic or financial rewards and penalties.

Using Stewardship Delegation, we are developing a goose (to produce golden eggs) based on internal commitment. We must avoid Gofer Delegation to get the golden egg or we kill the goose - the worker reverts to the gofer's credo: "Just tell me what to do and I'll do it."

This approach is a new paradigm of delegation. The steward becomes his own boss governed by his own conscience, including the commitment to agreed-upon desired results. It also releases his creative energies toward doing whatever is necessary in harmony with correct principles to achieve those desired results.

Immature people can handle fewer results and need more guidelines and more accountability interviews. Mature people can handle more challenging desired results with fewer guidelines and accountability interviews.

C. Personnel Management

Personnel Management is an important aspect of educational administration for achieving the educational goals. This Education Department constitutes nearly one-third of the total government employees in the state. It involves a systematic process of recruitment, selection and posting of employees and pre-service and in-service training programs for them.

1. Recruitment and Selection

The recruitment and selection of educational administrators/teachers/clerical posts is done in two ways - one is by transfer or promotion from the feeder category and another is by direct recruitment. Generally 33% of vacancies are reserved for women. But in elementary schools 50% of vacancies are filled up by women teachers. The remaining 50% is generally filled up from among all. Direct Recruitment procedure given separately.

2. Postings and Transfers

All kinds of posting and transfer of teachers in all kinds of schools are made through counseling methods in a transparent and clean manner without giving any room for complaints.

The following are the welfare scheme for the Staff.

1. Pension Scheme for all Govt. & Aided school teachers.

2. Medical, Educational assistance through National Foundation for Teacher's Welfare fund.
3. Award for best Teachers
4. The age of retirement for teacher is 58 which is common to all. However the employment is extended till the end of the academic year if the teacher retires actually in the middle of the academic year.

3. RECRUITMENT OF STAFF

Staff	**Standards**	**Qualification**	**Appointment made thro'**	**Upper Age Limit**
Secondary Grade Teachers	I to V	+2 with Two years Diploma in Teacher Education Certificate	Through Common Seniority List of District Employment Exchange	30 (35 for BC, 37 for MBC and 39 for SC/ST)
Middle Grade Graduate Teachers	VI to VIII	Degree with B.Ed.	Common Written Examination conducted by Teachers	No Upper Age Limit

B.T. Teachers	IX and X	Degree with B.Ed.	Recruitment Board	
P.G. Teachers	+1 & +2	P.G. Degree with B.Ed.		
Administrative of posts like DEOs, Superintendents/ Clerical posts such as Assistant, Jr.Asst., Typist		Degree preferred with B.Ed.	Tamil Nadu Public Service Commission	
Every teacher is being given an incentive increment for an additional degree subject to maximum of four increments. Rule of Reservation in the appointment of teachers is followed as follows: Open Competition 31% Backward Class 30% Most Backward Class 20% Scheduled Castes 18% Scheduled Tribes 1% 33% seats are reserved for women in the above allocation.				

-Introduction

Life can be pretty busy at times, and it is important to be organized in order to stay on top of things. This tutorial will walk you through a number of Elements and explain in detail how each of them can be used to help keep track of your hectic life.

-Keeping Track of Yourself

Do you ever get so busy you forget your phone number, or even where you live? No need to worry anymore, Elements SBM will keep track of your information for you. Do you ever work so much you forget how long you've really been working? Well, Elements SBM will keep track of your time for you as well. Read on, and learn how Elements SBM takes care of you so you don't have to.

-Home Element

Navigate to the **Home Element** Program Prefs. Your Elements SBM Preferences window will appear. Check the box on the lower left side of the window "Save my username and/or password on this computer" and verify that the correct username and password has been entered in. When finished, click on the Ok button. Now, each time you open the Elements SBM browser, your username and password will appear, allowing you quickly log in and not worry about remembering a long, complicated password.

Next, navigate to the **Home Element** My Information. Enter all of your personal information here. You can also change your password in the Password field. Type it in and then click on the icon to update your new password. When you are finished, click on the Update button to save your changes.

-In/Out Element

Keeping track of your time using Elements SBM is pretty simple. Navigate to the **In/Out Element**. This screen shows the time you've been logged in on the Status Board. Tell other users where you are or what you are doing using the options in the bottom left side of the Data Editor. Select a reason from the popup menu including; on a break, out for lunch, do not disturb, in a meeting and others. Then, tell other users when you will be available again by selecting an amount of time from the Return Time popup menu. Finally, type in a Quick Message to give further detail into what you are doing. Everyone else at your company can see your status in the **In/Out Element** Company Status Board. Best yet, you can see their status too.

View your Time Card in the lower right side of the Data Editor. Each time you check out, the time you logged out and the reason will appear here. The Time Card keeps track of your hours worked in the current week as well as in the prior week to display a two week total. Run a report of your time logged in the past two weeks by navigating to the Reports tab in the Data Editor. A PDF report will automatically generate. To change when your timeline starts, navigate to the **In/Out Element**. Here you can select which hour to begin your timeline.

-Keeping Track of your Contacts

Easily keep track of your friends, family and company contacts using the Contacts Element. Personal contacts can be managed in the Contacts Element and can be added in a number of ways. The first is by manually entering in the contact. If there are no contacts currently listed, click on the Add Contact button in the middle of the Data Editor. If Contacts are already listed, click on the icon in the lower left side of the Data Editor. In the form that appears, enter in information about your contact. When finished, click on the Add button. To change the order of the names displayed, first name or last name first, navigate to the Contacts Element Settings, and make your selection from the Display name order popup menu.

The second way to add a contact to your personal address book, is by importing them from the Address Book on your Mac. To do so, click on the icon on the bottom of the browser. From the Address Book popup menu, select “Everyone” or a particular group. Next, click on the Add button and the contacts in your Address Book will automatically be added to Elements SBM. Contacts can also be added by simply dragging in a person’s vCard from your Mac and dropping it in the Contacts Element. Simply grab their vCard and drop it into Data Viewer in the Contacts Element.

All their information in that vCard will automatically upload. Information about your contacts can be added and edited in the Data Editor. Click on the contact in the Data Viewer that you would like to edit to select it, then click in the field in the Data Editor you would like to change. To save the information click on the icon or the icon to reset the field. Business information about your contact can be added in the Business tab, various personal information, like spouse, children and birthday, can be entered in the Miscellaneous tab, and information pertaining to their social networks can be saved in the Social tab.

The Map tab displays a Google Map of the person's location. To change which location appears here (personal location or business location) navigate to the Contacts Element Settings, and make your selection from the Map Settings popup menu. The Map tab also provides the current weather in that location by clicking on the icon. Get directions to the location by clicking on the icon. The Notes tab is where you can add any notes you would like saved about your contact. Simply click in box and begin typing. No need to click Save, the information is automatically updated. Share your contacts with other users by clicking on the icon on the right side of the Data Editor.

A window will appear allowing you to choose who you would like to share your contact with. Once a contact is shared, an icon will appear next to his or her name. If you don't want to share your contact In the Contacts Element Company, contact information about various accounts and companies. There are default account types created, however these are customizable in the Sales Element Account Types. The process of adding each type of account is the same. The contacts entered here will also appear in the Sales Element Accounts. For more information on how to use Company Contacts, check out the Elements SBM Managing Leads and Making Sales Tutorial.

-Colleague Contacts

Contacts within your company are found in the Home Element Directory. Your colleague's information is added for you by your system administrator and, as tempting as it may be, you are unable to edit their information. Their company information is found in the Company tab of the Data Editor, their home address and other personal information is found in the Personal tab of the Data Editor, and a Google Map of their home address is found in the Map tab as well as the current weather and directions as described earlier.

-Contacts Icon Index

Throughout the Elements described above, you may see some of the icons listed below next to contacts information. The list below describes what each icon will do.

Opens a new email message to the contact in your mail server. Opens the URL address associated with the contact. Opens their Linked in profile. Initiates an ichat conversation. (You must be logged in to ichat.)

Indicates the contact has an ichat account but is not currently logged in. Opens a New History Event box to record contact with that person. Downloads the contacts v-card into the Address Book on your mac.

Shares contact with other users. (Window appears allowing you to select which users you would like to share with. Icon appears on top right side of Data Editor.) Indicates a contact is shared with other users.

-Managing your Schedule, Communication and To Do Items

Do you ever have trouble remembering your schedule? Are you one of those “sticky-note lovers” that has sticky-notes plastered all over your desk reminding you to do things? Well, its time to say “Hello” to organization.

-Notes Element, the Sticky-Note Replacement

The Notes Element is your electronic notepad. It is a great place to jot things down, create to-do items, and reminders. Navigate to the Notes Element My Notes. If Notes are already listed, click on the icon in the lower left side of the Data Editor, if not, click on the Add Note button in the middle of the Data Editor. In the form that appears, enter in the details about your note. You can click on the Add button to save your new note, or click on the “To do item” box. Then, select a priority, a due date, and set an alarm if desired. Click on the Add button to save your to do item. If you created a To do item, you can edit the item or alarm in the Data Editor.

Clicking on the icon opens an “Edit an Alarm” box. To edit the To do item, simply click in the box and begin typing. No need to click Save, the information is automatically updated. Want to share your note with another user? Just click on the icon and choose who you would like to share the note with. If someone has shared a note with you, a icon will appear next to the note and can only be edited or deleted by the author of the note. Notes only appear in the Notes Element; however, To Do Items also appear in the Calendar Element Day View to allow for easy reference of your To do items. Specify which to do items appear here in the Calendar Element Settings. Once they are in your Calendar

Element, check off To Do Items as you complete them. Make the scratch part of your Dashboard and have a virtual “sticky-note pad” at your fingertips! To do this, navigate to the Home Element Dashboard, choose the “User Custom” option, and choose “Scratch Pad” from the second popup menu.

Calendar Element we all need a tool to keep track of our schedule at some time or another. Take advantage of the great features the Calendar Element offers and let Elements work for you. Navigate to the Calendar Element Month View to view your calendar by month, click on the Year Calendar View to view the current year, and the Day View to view the current day. To view another person’s calendar, select their name from the popup menu at the top of the page.

Your *To Do* Items that we had previously discussed appear on the right side of the Day View, all day events, like a birthday for example, appear in the top portion of the browser, and an hour by hour break down of events is displayed in the lower half of the browser. You can add events here by clicking on the hour, or navigate to the Calendar Element > Schedule Events > Add. Fill in the information about your new event and click on the Add Event button.

A list of your scheduled Personal Events, Department Events, and Company Events can be viewed on the associating pages in the Calendar Element . Schedule your meetings using the Meeting Maker; navigate to the Calendar Element Add. Choose the date and time and how often the meeting will occur. Select a location (which are added by your administrator) and type in the subject and description. To invite multiple individuals, hold down the Command key on your keyboard and select all invited persons. If you need any resources, select them from the list. (Resources are also added by your system administrator.) Next, check the availability of your location, resources, and attendees by clicking on the Check Availability button. Adjust the date and time settings if necessary to meet date and time availability.

Check the "Add to iCal on this computer" to add the event to your iCal calendar. When finished, click on the Schedule Meeting button and the meeting will be added to the appropriate calendars. Meetings you create can then be edited in the Calendar Element My Meetings. You can even give permissions to your colleagues to modify meetings, by clicking on the icon, selecting who you want to share write permissions with and clicking on the Update button. To manage project tasks and To Do items in one convenient location, navigate to the Calendar Element My Tasks. Select a task from the list and make changes in the Data Editor. To Do Items can be marked as complete, and project tasks can be reviewed and edited.

-Message Element, Communicating within Elements SBM

Communication between your colleagues within Elements SBM as well as outside of Elements SBM is managed in the Message Element. In the Message Element Settings, an outside mail server's information can be entered, allowing you to send emails through your Elements SBM browser. The Message Element Inbox displays messages sent internally from other Elements SBM users. The System messages are those sent from other Elements. For example, messages sent from the Project Element if you are part of a project. Sent messages are those you've sent within the internal messaging system. Compose Message allows you to compose an internal message to be sent to other Elements SBM users, or to an e-mail address (if you have your mail server settings entered). Forward a message by clicking on the icon, reply to a message by clicking on the icon, and delete a message by clicking on the icon. Best yet, manage all of your internal communication in a secure, spam-free environment.

Conclusion

We understand the importance of managing your busy schedule. Take advantage of Elements SBM Personal information management tools and get on the road to organization.

CHAPTER 2

DECISION-MAKING TOOLS

Managers can also use a number of tools that relate more specifically to decision making than to planning. Two commonly used tools and procedures are payoff matrices and decision trees.

1) PAYOFF MATRICES

A payoff matrix specifies the probable value of different alternatives, depending on different possible outcomes associated with each. The use of a payoff matrix requires that several alternatives be available, that several different events could occur. An important concept in understanding the payoff matrix, then, is probability.

A probability is the likelihood, expressed as a percentage, that a particular event will or will not occur. If we believe that a particular event will occur 75 times out f 100, we can say that the probability of its occurring is 75 percent, or .75.

Probabilities range in value from 0 (no chance of occurrence) to 1.00 (certain occurrence-also referred to as 100 percent). In the business world, there are few probabilities of either 0 or 1.00. Most probabilities that managers use are based on subjective judgment, intuition, and historical data.

The expected value of an alternative course of action is the sum of all possible values of outcomes from that action multiplied by their respective probabilities. Suppose that a venture capitalist is considering investing in a new company. If he believes that there is a .40 probability of making $100,000, a .30 probability of making $30,000, and a .30 probability of losing $20,000, the expected value (EV) of this alternative is:

EV = .40(100,000) + .30(30,000) + .30(-20,000)
EV = 40,000 + 9,000 – 6,000
EV = $43,000

The investor can then weigh the expected value of this investment against the expected values of other available alternatives. The highest EV signals the investment that should most likely be selected.

For example, suppose that another venture capitalist is looking to invest $20,000 in a new business. She has identified three possible alternatives: a leisure products company, an energy enhancement company, and a food-processing company. Because the expected value of each alternative depends on short-run changes in the economy, especially inflection, she decides to develop a payoff matrix. She estimates that the probability of high inflection is .30 and the probability of low inflection is .70. She then estimates the probable returns for each investment in the event of both high and low inflation. Figure A2.6 shows what the payoff matrix might look like 9a minus sign indicates a loss). The expected value of investing in the leisure products company is:

EV = .30(-10,000) + .70(50,000)
EV = -3,000 + 35,000
EV = $32,000

Similarly, the expected value f investing in the energy enhancement company is:

EV = .30(90,000) + .70(-15,000)

EV = 27,000 + (-10,500)

EV = $16,500

Find, finally, the expected value of investing in the food-processing company is:

EV = .30(30,000) + .70(25,000)

EV = 9,000 + 17,500

EV = $26,500

Investing in the leisure Products Company, then, has the highest expected value.

Other potential uses for payoff matrices include determining optimal order quantities, deciding whether to repair or replace broken machinery, and deciding which of several new products to introduce. Of course, the real key to effectively using payoff matrices is making accurate estimates of the relevant probabilities.

Payoff matrix

A decision-making tool that specifies the probable value of different alternatives depending on different possible outcomes associated with each.

Probability

The likelihood, expressed as a percentage, that a particular event will or will not occur.

Expected value

When applied to alternative courses of action, the sum of all possible values of outcomes from that action multiplied by their respective probabilities.

An Example of a Payoff Matrix

A payoff matrix helps the manager determine the expected value of different alternatives. A payoff matrix is effective only if the manager ensures that probability estimates are as accurate as possible.

2) DECISION TREES

Decision trees are like payoff matrices in that they enhance a manager's ability to evaluate alternatives by making use of expected values. However, they are most appropriate when there are a number of decisions to be made in sequence.

The firm represented wants to begin exporting it products to a foreign market, but limited capacity restricts it to only one market at first. Managers believe that either France or China would be the best alternative to start with. Whichever alternative is selected, sales for the product in that country may turn out to be high or low. In France, the chance of high sales is .80 and the chance of low sales is .20. The anticipated payoffs in these situations are predicted to be $20 million and $3 million, respectively. In China, the probabilities of high versus low sales are .60 and .40 respectively, and the associated payoffs are presumed to be $25 million and $6 million. As shown in the figure, the expected value of shipping to France is $16,600,000, whereas the expected value of shipping to China is $17,400,000.

Decision tree

A planning tool that extends the concept of a payoff matrix through a sequence of decisions.

An Example of a Decision Tree: A decision tree extends the basic concepts of a payoff matrix through multiple decisions. This tree shows the possible outcomes of two levels of decisions. The first decision is whether to expand to China or France. The second decision, assuming that the company expands to China, is whether to increase shipments to China, build a plant close to China, or initiate shipping to France.

The astute reader will note that this part of the decision could have been set up a payoff matrix. The value of decision trees, however, is that we can extend the model to include subsequent decisions. Assume, for example, that the company begins shipping to China. If high sales do in fact materialize, the company will soon reach another decision situation. It might use the extra revenues to (1) increase shipments to China, (2) build a plant close to China to cut shipping costs, or (3) begin shipping to France. Various outcomes are possible for each decision, and each outcome will also have both a probability and an anticipated payoff. Computing expected values back through several tiers of decisions all the way to the initial one is therefore possible. As it is with payoff matrices, determining probabilities accurately is the crucial element in the process. Properly used, however, decision trees can provide managers with a useful road map through complex decision situations.

Other Techniques used in decision making

In addition to payoff matrices and decision trees, a number of other quantitative methods are also available to facilitate decision making.

1) Inventory Models: Inventory models are techniques that help the manager decide how much inventory to maintain. Target Stores uses inventory models to help determine how much merchandise to order, when to order it, and so forth. Inventory consists of both raw materials (inputs) and finished goods (outputs). Polaroid Corp., for example, maintains a supply of the chemicals it uses to make film, the cartons it packs film in, and packaged film ready to be shipped. For finished goods, both extremes are bad: excess inventory ties up capital, whereas a small holds for raw materials: too much inventory ties up capital, but if a company runs out of resources, work stoppages may occur. Finally, because the process of placing an order for raw materials and supplies has associated costs (such as clerical time, shipping expenses, and higher unit costs for small quantities), minimizing the frequency of ordering is important. Inventory models help the manager make decisions in such a way as to optimize the size of inventory. New innovations in inventory management such as just-in-time, or JIT, rely heavily on decision-making models. A JIT system involves scheduling materials to arrive in short batches as they are needed, thereby eliminating the need for a big reserve inventory, warehouse space, and so forth.

Inventory model

A technique that helps managers decides how much inventory to maintain.

Just-in-time (JIT)

An inventory management technique in which materials are scheduled to arrive in small batches as they are needed, eliminating the need for resources such as big reserves and warehouse space.

(2) Queuing Models:. Queuing models are intended to help organizations manage waiting lines. We are all familiar with such situations: shippers waiting t pay for groceries at Kroger, drivers waiting to buy gas at an Exxon station, travelers calling American Airlines for reservations, and customers waiting for a teller at Citibank. At Kroger, if a store manager has only one checkout stand in operation, the store's cost for checkout personnel is very low; however, many customers are upset by the long line that frequently develops. To solve the problem, the store manager could decide to keep twenty checkout stands open at all times. Customers would like the short waiting period, but personnel costs would be very high. The manager could use a queuing model to help determine the optimal number of checkout stands: the number that would balance personnel costs and customer waiting time. Target uses queuing models to determine how many checkout lanes to put in its stores.

Queuing model

A model used to optimize waiting lines in organizations.

(3) Distributions Models: A decision facing many marketing managers relates to the distribution of the organization's products. Specifically, the manager must decide where the products should go and how to transport them. Railroads, trucking, air freight each has associated shipping costs, and each also follows different schedules and routes. The problem is to identify the combination of routes that optimizes distribution effectiveness and distribution costs. Distribution models help managers determine this optimal pattern of distribution.

Distribution model

A model used to determine the optimal pattern of distribution across different carriers and routes.

(4) Game Theory. : Game theory was originally developed to predict the effect of one company's decisions on competitors. Models developed from game theory are intended to predict how a competitor will react to various activities that an organization might undertake, such as price changes, promotional changes, and the introduction of new products. If Bank of America were considering raising its prime-lending rate by 1 percent, it might use a game theory model to predict whether Citicorp would follow suit. If the model revealed that Citicorp would, Bank of America would probably proceed; otherwise, it would probably maintain the current interest rates. Unfortunately, game theory has not yet proved as useful as it was originally expected to be. The complexities of the real would combined with the limitation of the technique itself restrict its applicability. Game theory, however, does provide a useful conceptual framework for analyzing competitive behavior, and its usefulness may be improved in the future.

Game theory

A planning tool used to predict how competitors will respond to different actions the organization might take

(5) Artificial Intelligence: A fairly new addition to the manager's quantitative tool kit is artificial intelligence (AI). The most useful form of AI is the expert system. An expert system is essentially a computer program that tries to duplicate the thought processes of experienced decision-makers. For example, Digital Equipment Corp. has developed an expert system that checks sales orders for new computer systems and then designs preliminary layouts for those new systems. Digital can now ship the computer to a customer in components for final assembly on site. This has enabled the company to cut back on its own final assembly facilities.

(6) Human Intelligence

3. STRENGTHS AND WEAKNESSES OF PLANNING TOOLS

Like all issues confronting management, planning tools of the type described here have a number of strengths and weaknesses.

Weaknesses and Problems

One weakness of the planning and decision-making tools discussed in this appendix is that they may not always adequately reflect reality. Even with the most sophisticated and powerful computer-assisted technique, reality must often be simplified. Many problems are also not amenable to quantitative analysis because important elements of them are intangible or non quantifiable. Employee morale or satisfaction, for example, is often a major factor in managerial decisions.

The use of these tools and techniques may also be quite costly. For example, only larger companies can afford to develop their own econometric models. Even though the computer explosion has increased the availability of quantitative aids, there is still some expense involved, and it will take time for many of these techniques to become widely used. Resistance to change also limits the use of planning tools in some settings.

If a manager for a retail chain has always based decisions for new locations on personal visits, observations, and intuitions, she or he may be less than eager to begin using a computer-based model for evaluating and selecting sites. Finally, problems may arise when managers have to rely on technical specialists to use sophisticated models. Experts trained in the use of complex mathematical procedures may not understand or appreciate other aspects of management.

Strengths and Advantages

On the plus side, planning and decision-making tools also offer many advantages. For situations that are amenable to quantification, they can bring sophisticated mathematical processes to bear on planning and decision-making. Properly designed models and formulas and formulas also help decision-makers "see reason." For example, a manager might not be inclined to introduce a new product line simply because she doesn't think it will be profitable.

After seeing a forecast predicting first-year sales of 100,000 units coupled with a breakeven analysis shoeing profitability after only 20,000, however, the manager will probably change her mind. Thus rational planning tools and techniques force the manager to look beyond personal prejudices and predisposition. Finally, the computer explosion is rapidly making sophisticated planning techniques available in a wider range of setting than ever.

The crucial point to remember is that planning tools and techniques are a means to an end, not an end in them selves. Just as a carpenter uses a handsaw in some situations and an electric saw I others, a manager must recognize that a particular model may be useful in some situations but not in others that may call for a different approach. Knowing the difference is one mark of a good manager.

CHAPTER 3

STRESS MANAGEMENT

A. INTRODUCTION

What is Stress?

We experience stress when we fail to cope adequately with stressors. Stressors often come in the form of loud noise, being too hot or too cold, mounting debts, ringing telephones, broken relationships, unrealistic deadlines, discouragement, fear, pain and thousands of other things that impact upon us in the normal course of daily living.

It is impossible for us to avoid stressors (?). The only totally stress free state is death (?)

We experience stress as the body adjusts to the external demands placed upon it. Our body constantly seeks to maintain stability and stress is usually sensed as the body readjusts to too much pressure.

Homeostasis (homeo = the same; stasis = standing) refers to the physiological range in which the body functions efficiently and comfortably. Stress creates a state of imbalance and causes the body to have physical, emotional and mental reactions.

Stress

The tension and anxiety we feel when faced with uncertainty about something that is important to us or conflicting expectations.

B. STRESS IS DIFFERENT FOR DIFFERENT PEOPLE

When we are faced with an uncertain outcome for something that is important to us, we experience stress. The emphasis should be on the phrase important to us. What causes stress in one person may cause the exact opposite reaction in another person. You and I may be in the same position in the same organization and enjoy our jobs. We may both be facing redundancy. You may find that quite stressful because your personal goals and situation make job security and upward promotion important. I on the other hand may be excited by the prospect of a redundancy package as a chance to finally take the 'leap' and buy the caravan park I have always dreamed of owning and operating. It is the same situation but two people are responding very differently. You may be losing sleep with worry and I may be losing sleep from excitement. We call the situations that cause us stress stressors.

Not all stress is bad for us. There is distress and eustress. Distress is the negative stress that causes us to worry, often taking a toll on our health and ability to work productively. Eustress is the good type of stress that makes us feel alive, for example when we are getting ready for an overseas holiday or preparing an acceptance speech for an award we are receiving.

Distress

Negative stress that can cause a decline in productivity, illness or a breakdown in relationships.

Eustress

Positive stress that can energies us into peak performance.

C. IMPACT OF STRESS

Stress can affect our emotional, mental and physical health. It has been linked to heart problems, cancer, ulcers, asthma, diabetes, multiple sclerosis and many other health disorders. Seventy-five per cent of visits to the family doctor are for stress-related symptoms or illnesses. Dr Ted Emmett of Worksafe Australia estimates that business pays $9 million annually on stress-related problems and mental illness.

Obviously, the cost of stress to an organization can be significant in terms of absenteeism, turnover, low performance or at times sabotaging behavior.

Contributors to Stress

A number of factors contribute to which situations cause us stress and how severe the stress is.

1) Personality type

For over three decades it has been believed that people were either Type A or Type B personality types. Type A people have a sense of urgency about time. They are the people who are always in a hurry, get impatient when delayed in traffic or in a queue at the supermarket and they find it very hard to slow down and relax. Type B people are the exact opposite. They can pace themselves through life, can patiently deal with delays and can relax guilt free. It has always been assumed that Type A people were the ones prone to experience stress on and off the job. There are many jokes about Type A people being a heart attack waiting to happen because until recently it was believed that Type A people were most prone to heart disease. Further studies have shown that it is mainly the Type As who express their hurried life in terms of hostility and anger who are most susceptible to heart disease, not all Type As. Being in a rush is less damaging to or health than being in a rush with an underlying hostile and angry attitude that is impatient with unexpected delays.

Interesting further evidence is coming for the about what personality factors lead to cancer. Type C has been identified to describe people who have what has been labeled the 'disease to please'. In an attempt to please others, Type Cs are passive, cooperative, unassertive and try to maintain control over their own environment and create a harmonious environment around them. Meanwhile, internally, they are suppressing a huge volcano of unexpressed emotions, needs and opinions. In a study of men admitted to hospital with chest complaints, there was a higher incidence of cancer in the men who displayed Type C behavior, which included suppressing feelings, showing no emotions and keeping negative reactions to themselves rather than venting them. Another cancer study investigated the psychological profiles of those patients who got better and those who didn't.

The only common link was that those who got better complained much more about the food, the accommodation and the service. Those who did not go to great lengths to be polite (e.g. pleas others) were the ones that got better. This is not to say that being polite or positive causes cancer. It is when that politeness and a positive attitude come from suppressing your own desires and aiming to 'keep the peace-avoid conflict' at all costs that this might happen.

Type A

A person who is often in a hurry, conscious of time, impatient and spends most of their time thinking about work.

Type B

A person, who has a relaxed approach to life, is patient and is not pressured by time.

Type C

A person who is unable to express their emotions and tries to 'keep the peace' by suppressing their needs.

2) Fear

Fear of being bullied at work, fear of losing one's job or fear of the consequences of appearing incompetent can cause stress. One doctor found that the rapid change occurring in our workplace is causing a new fear. At a meeting she conducted for people who work in health care, several nurses said that their jobs were changing almost daily. They were expected to perform duties that they had not trained for and they felt they were being asked to perform new skills about 60 per cent of the time. After further questioning the participants, the doctor said that it became clear that many people were operating at a dysfunctional level of stress due to the fear that they could not meet job requirements.

3) Perception

Earlier we discussed locus of control. A person with an internal locus of control is more likely to act and take control of events in a stressful situation than a person with an external locus of control, who will passively view themselves as a victim of circumstances. In additions to locus of control, our mental models also have a lot to do with what causes us stress. If we believe that in order to be competent we must always do things right and be right, we will experience a lot more stress adapting to our regularly changing requirements, for fear that we will do something wrong and 'look incompetent'. If our mental model sys 'mistakes are learning experiences and it is how I handle them rather than whether I make them that counts' we will embrace change as a challenge and most likely minimize the stress we experience from it.

It is not uncommon to hear people say 'the job I applied for and accepted has totally changed in the months or years since I have been hired'. For some this is OK, for other it is not. People who were hired as lawyers, credit union tellers, lectures and so forth are finding that a marketing function and an expectation that they will bring business into the organization have been added to their core professional role. This has caused discomfort for some who feel that selling and drumming up business is not a skill they posses or desire to develop.

(4) Organizational factors

We can experience stress in our organizations from the following factors:

- Task demands – the speed or volume at which we are expected to produce can seem unrealistic or unsustainable for an extended period of time.

- Role demands – conflict in role demands can cause us stress. Many managers have cited the conflict of having to remain loyal to the organization while at the same time handing down unrealistic demands to their staff. When their staff protest and complain, the managers are torn between letting the staff know they agree with the unrealistic nature of the request and risk being seen as disloyal or taking the 'company line' by telling the staff to just do it and risk loss of credibility among their staff

- Leadership – if leaders are transformational leaders who have developed an atmosphere of trust, stress in the organization will be significantly minimized. Leaders who abuse their power, instill fear in staff and demonstrate that the only way to get ahead is to use 'dirty politics' create great stress among their staff, who find that the 'goal posts' shift daily and have little to do with accomplishing organizational goals anyway.

D. MANAGING STRESS

What you can do as an individual?

1) Improve your time management

Most of us can improve the way we manage our time. Many of us manage it more poorly than we realize and put undue stress on ourselves. We can waste time without realizing it by allowing unnecessary interruptions to distract us or by spending time on unimportant tasks in order to avoid doing the important tasks we don't want to face. The first step toward time management is to identify your 'time stealers'. A good way to do this is to conduct a schedule audit over a few days, writing down how you spend your time hour by hour. This can show you if your are wasting time on things that aren't a priority. After you have done this, make a list of things you need to do, rank them in order of importance and schedule your activities according to priority. Be realistic in what you can accomplish, and be sure to schedule 'down time' for relaxation.

2) Get exercise

Most of us know the benefits of physical exercise. Walking, jogging and bike riding accompanied by resistance training using weights will help to reduce stress and keep your body strong. Recent books and articles are emphasizing the fact that it is never too late to start. Even people in their 50s and 60s can greatly improve their overall health and bone strength by regular walks and lifting light weights. Endorphins, the chemical in the brain which produces a natural 'high', are released when we exercise. This gives us a feeling of wellbeing and some experts suggest that endorphins are nature's way of combating stress.

3) Have social support

A supportive network of family and friends can help ease tension. As we mentioned in the section o personality types, people who do not have an outlet for expressing their feelings or frustrations can be prone to cancer. Often a trusted friend can put a situation into perspective and help us to see that things may not be as bad as we think or offer solutions and responses we have not thought of. A friend also can help identify self-defeating patterns that we have in our lives which might be perpetuating stress.

4) Change that tape you play in your head

Most of us have messages that we send to ourselves all day long. It is like a tape playing in our head over and over again. Cognitive therapy suggests that people change the messages they send to themselves if they are locked into self-defeating patterns. If we belittle ourselves every time we make a mistake by thinking 'I'm the only one who ever makes these stupid errors' or if we expect the worse, 'Of course, with my luck, I'll be the one to get retrenched', we set ourselves up for stress and at times a self-fulfilling prophecy because our attitude is determining our behavior. Keep a balanced perspective, think positively (play positive tapes in your head) and balance the negative parts of your life with an appreciation for and acknowledgement of the good parts.

4) Feed the soul

If a car kept stalling while you were driving, it would not do any good to make your carport bigger, clean the car windows or change the car tyres. You would look at the element that is central to the car's existence, the engine. Many books and articles are emerging which suggest that when we just look at external circumstances to determine causes and strategies to reduce stress and other relationship problems, we can be metaphorically changing the tyres and cleaning the windows of our lives rather than looking at the engine. Some call this engine the soul, others have different names for it. Authors like Phil McGraw, Iyanla VanZant, Gary Zukov and John Gray have excellent material on this which you may find useful if you feel this approach might work for you. In essence these people are challenging us to look at our mental models and how and why they were formed and change the internal responses, perceptions and thought processes to form mental models that reflect a more accurate reality. By doing this we take on a much more internal locus of control as we come to see how much control we have over what happens to us.

What an organization can do to help people manage stress?

The organizational aspects that we listed as possible stressors can be altered to help minimize stress experienced from staff. Table A gives some suggestions for solutions. Conflict in an organization can cause stress and stress in an organization can cause conflict. We have seen that some of the factors contributing to conflict and stress are the same. A healthy organizational culture which promotes trust and open communication can go a long way toward minimizing stress and conflict. Most of us enjoy challenge and don't even mind the unknown or change if we are experiencing it in a background of trust, open communication and predictability in terms of guidelines, goals and expectations.

Table A: Organizational solutions to stressors

Solution	Description
(1) Performance	When we participate in establishing our agreements performance goals of quality, quantity and

Timeframe output requirements we know exactly what is expected of us. By participating in the process we have been able to negotiate what we believe is fair. Regular reviews with our manager will help us to determine if unmet goals were unrealistic or if we need further training or better time management. This can address the organizational stressor of task demand

2) Job redesign: Sometimes our position does not have enough responsibility or has too much responsibility or reports to or serves too many people. It may even have tasks that are really irrelevant to the position but which take up valuable time and add to our stress. Job redesign can adjust our position to remove some of the barriers the organizational stressors of task demand and role demand.

3) Participative Genuine : Participative decision making decision making can provide employees with the authority to solve the problems they are responsible for. This can

address the organizational stressors of role demands and poor leadership
4) Organizational: When we feel well informed about our communication performance, our future in the organization and the status of impending changes and how they will affect us, we often feel less stress. This can address all the organizational stressors that we have mentioned.

CHAPTER 4

CONFLICT MANAGEMENT

INTRODUCTION

In many organizations, conflicts within and between groups are common. A conflict is defined as a perceived difference between 2 or more parties that results in mutual opposition. Conflict is often considered as negative factors. However, it can have constructive, as well as destructive, consequences.

When tensions are so high that people do not cooperate and are not productive, conflict should be reduced so that they can work together to accomplish their objectives. Modern managers do no necessarily try to eliminate conflict, rather they manage it so that is contributes to the individual's and organization's productivity.

Conflict in organizations can exist between individuals, groups, units, departments or organizational levels.

A. Causes of Conflict

There are many reasons why we see conflict in organizations.

1. Scarce Resources

Resources include money, information, supplies. In their desire to achieve goals, individuals may wish to increase their resources, which throws them into conflict.

2. Unclear Resources

Conflicts emerge when job boundaries and responsibilities are not clearly defined. When duties are clearly specified, people know where they stand. When they are unclear, people may disagree about who has responsibility for specific tasks or who has a claim on resources.

3. Communication Breakdown

Poor communication results in misperceptions and misinterpretation. In some cases, information may be intentionally withheld, which can jeopardize trust among employees and lead to lasting conflict.

4. Personality clashes

This happens when people simply do not get along or don't see eye to eye. Such differences could be due to differences in characteristics, values and beliefs.

5. Status Differences

Power and status differences occur when one party has disputable influence over another.

People may engage in conflict to increase their power and influence.

6. Goal Differences

Conflict occurs because people are pursuing conflicting goals. Individual salespeople's' targets may put them in conflict with one another or with the sales manager. Moreover, the sales department may have goals that conflict with manufacturing or finance.

B. Managing Conflict

The challenge for managers is to manage conflict in such a way that it contributes to the organization.

-Conflict between Individuals

Such conflict can be handled by using the following styles:

1. Competing Style: This reflects a person's assertiveness to get his/her own way and should be used when quick, decisive action is required. This may be the case when making important or unpopular decisions such as during emergencies.
2. Avoiding Style: This reflects neither assertiveness nor cooperativeness. This is appropriate when issues debated are trivial, when there is no chance of winning or when a disruption may be very costly.
3. Compromising Style: This style reflects a moderate amount of assertiveness and cooperativeness. It is appropriate when the goals on both sides are equally important, when opponents have equal power.
4. Accommodating Style: This shows willingness of individuals to cooperate and can be used when both parties realize they are wrong or when maintaining harmony is important.
5. Collaborating Style: This enables both parties to win, although it requires substantial bargaining and negotiation.

The various styles above can be used when an individual disagrees with another.

Techniques of Resolving Conflicts

Several techniques can help managers resolve conflicts that arise between members of one group or between different teams.

1. Bargaining/Negotiation: Both parties engage one another in an attempt to systematically reach a solution. They attempt logical problem solving to identify and correct conflict.
2. Mediation: Using a third party to settle a dispute is called mediation. The mediator may be a supervisor, manager. Mediator can discuss the conflict with each party and work toward a solution.
3. Well-defined tasks: Managers can reduce conflict by clearly identifying responsibilities and duties.
4. Facilitating communication: Managers can provide opportunities for parties to communicate more effectively. As they learn about each other, suspicions diminish and improved teamwork becomes possible.

CHAPTER 5

INTRODUCTION TO CHANGE

We live in a dynamic and exciting world where change is always taking place and affects both individuals and organizations. As individuals, we regularly experience change in our everyday lives. In recent years, lives have been changed by the introduction of computers and other innovations. In order to survive and prosper in a competitive world, organizations have to change too. Organizational change is defined as the adoption of a new idea or behavior by an organization.

A. FORCES FOR CHANGE

There are many factors or forces that make change necessary for organizations.

(a) External Forces

As discussed under the topic of environment, external changes take place in all sectors, including consumers, competitors, economic, political and social and technological environment.

(b) Internal Forces

These arise from internal activities and decisions. If managers select a goal of rapid growth, internal actions will have to be taken to accomplish this objective. New departments or technology may need to be introduced. Demands by employees, unions and others may mean changes.

B. RESISTANCE TO CHANGE

Often, members in an organization do not easily welcome and accept changes. Even though workers may see the need for change, it is still not easy for them to accept it. Some of the reasons why change may be resisted include.

(a) Self Interest

Employees will resist change if they feel that the change will take away something of value to them. A proposed change in structure, job design or technology may lead to a perceived loss of power and prestige.

(b) Lack of Understanding

Employees often do not understand the purpose or need for the change or distrust the intentions behind it. If previous changes have been made and have been negative, then resistance will arise in future.

(c) Uncertainty

Employees may not have adequate information about future events. It represents a fear of the unknown. They do not know how the change will affect them. Employees may fear that they will not be able to cope or keep up with the demands of a new procedure or technology.

(d) Different Goals and Objectives

Managers in each department pursue different objectives and a change may affect whether they can meet their objective.

C. IMPLEMENTING CHANGE

Managers should not ignore the above concerns of their employees but must diagnose the reasons and design strategies to gain their acceptance.

Overcoming Resistance to Change

(a) **Communication and Education**

This is used when solid information is available that the proposed changes will benefit the users and the firm. It is especially useful when change involves new technical knowledge. Education helps workers to see the benefits and accept them more easily.

(b) **Participation and Involvement**

This tactic involves the users from the start of the change process. It is time consuming but it pays off because users understand what is happening and become committed to the change. It allows employees to offer their personal ideas to make it successful and consequently improving the outcome.

(c) **Negotiation and agreement**

This uses formal bargaining to win acceptance and approval from the employees for the changes. This tactic is especially necessary when dealing with trade unions. The change becomes part of the new contract.

(d) **Coercion**

This means that managers use formal power and authority to force employees to change. Employees are told to accept the changes or lose certain benefits or even their jobs.

This is used as a last resort in cases where a crisis may exist.

D. TYPES OF CHANGES

The different types of changes that can be carried out in organizations include the following.

(a) Technology Changes

Such changes are related to the firm's manufacturing activities. They are designed to make the production process more efficient. Such changes should be made by inviting suggestions from the workers involved in such activities. Employees at lower levels understand the technical aspects better and can contribute to the change successfully.

(b) Product Changes

This involves a change is the company's products or services. These changes usually are in response to customer's demands or competitors' new product. Marketing, production and research departments have to work together in developing new product ideas.

(c) Structural Changes

Such changes involve the hierarchy of authority, goals, administrative procedures. For example, the implementation of a no-smoking policy in the firm can be considered a structural or administrative change.

(d) Culture/People Changes

A culture or people change refers to a change in employees' values, attitudes, beliefs and behavior. These changes pertain to how people think. It could involve just a few people or the entire organization. For example, a change in leadership style from autocratic to democratic is a cultural change.

E. Social responsibility

Social responsibility is the set of obligations an organization has to protect and enhance the society in which it functions. Views of social responsibility have developed from the entrepreneurial era through the Depression era, the social era, and to the present time. Organizations may be considered responsible to their constituents, to the natural environment, and to the general social welfare. Even so, organizations present strong arguments both for and against social responsibility. The approach an organization adopts toward social responsibility falls along a continuum of lesser to greater commitment: social obstruction, social obligation, social response, and social contribution.

Government influences organizations through regulation, which is the establishment of laws and rules that dictate what businesses can and cannot do in prescribed areas. Organizations, in turn, rely on personal contacts, lobbying, political action committees, and favors to influence the government.

Organizations use three types of activities to formally manage social responsibility: legal compliance, ethical compliance, and philanthropic giving. Leadership, culture, and allowing for whistle blowing are informal means for managing social responsibility. Organizations should evaluate the effectiveness of their socially responsible practices as they would any other strategy.

Conclusion

For change to take place successfully, those affected must be psychologically willing to make the effort. Any change process involves unlearning old things and learning new skills. Change is difficult if there is no motivation to change. Inducing this motivation is often the most difficult part of the change process.

DISCUSSION QUESTIONS

Questions for Review

1. What are ethics? How are an individual's ethics formed?
2. Summarize the basic historical views of social responsibility.
3. What are the arguments for and against social responsibility?
4. How does the government influence organizations?
5. How do organizations influence the government?

Questions for Analysis

1. What is the relationship between the law and ethical behavior? Can illegal behavior possibly be ethical?
2. How are the ethics of an organizations CEO related to social responsibility?
3. 7How do you feel about whistle-blowing activity? If you were aware of a criminal activity taking place in your organization, and if reporting it might cost you your job, what would you do?

Questions for Application

1. 8.Refresh your memory about the Exxon Valdez oil spill. Evaluate the social responsibility dilemmas facing the company. For example, if Exxon had pledged unlimited resources to the cleanup, would this have been fair to the company's stockholders?
2. Research the social responsibility activities of ten large companies. What is your personal assessment of each?
3. Review the arguments for and against social responsibility. On a scale of 1 to
4. 10, rate the validity and importance of each point. Use these ratings to develop a position regarding how socially responsible an organization should be. Now compare your ratings and position with those of two of your classmates.

Discuss your respective positions, focusing primarily on disagreements.

SKILL SELF-ASSESSMENT

Beliefs and Values Questionnaire (BVQ)

Introduction: Ethics are critically important in business, and beliefs and values are important elements in shaping an individual's ethics. The following assessment surveys your beliefs and values about life and people.

Instructions: You will agree with some of the statements and disagree with others. In some cases, you may find making a decision difficult, but you should force a choice. Record your answers next to each statement according to the following scale:

Strongly Agree = 5
Somewhat Agree = 4
Somewhat Disagree = 2
Strongly Disagree = 1

I. People should be concerned with God and life after death.
2. Great accomplishments make life worth living.
3. The best way to live is to keep emotions and behaviors under control. People should follow the adage, "less is more."
4. Because people have different needs, values, and personalities, we should follow the sayings, "live and let live" and "different strokes for different folks."
5. Understanding why people do what they do is more science than art.
6. Despite what we read and see in the news, life is getting better for people. Conditions are

better in modern times than they were in ancient times.
7. There is a divine purpose in everything that happens, even if it is hard to understand at the time. Idle hands are the devil's workshop.
9. It is good to keep ideas and feelings to yourself; you should follow the principle, "trust not, suffer not."
10. People should remember that truth is relative and what is right for one person may be wrong for another.
11. If you could completely control a person's environment, you could completely control the person's behavior.
12. People should accentuate the positive in life; they should look for a silver lining in every cloud and good in every person.
13. God is an idea created by human beings.
14. You pass this way only once, so live life to its fullest.
15. People should have the attitude, "nothing ventured, nothing gained."
16. What the world needs is more people with principles and the strength to stand up for them
17. You can never fully control people because each person has free will.
18. The way the world is going; civilization will probably be destroyed by disease or some other calamity.
19. Belief in God is based on superstition and is not supported by fact.
20. Good advice is, "If it feels good, do it."
21. People should learn from the turtle: it never makes progress until. It sticks its neck out.
22. Obedience and respect for authority are two important values that a society must develop in its people.
23. A scientific understanding of human behavior is limited because each person is a unique individual with immeasurable and unpredictable qualities.
24. The world is fall of poverty, sickness, prejudice, and cruelty, and there is little reason to

believe things will change.